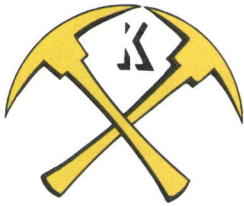


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PRO/037/032  
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# KELMINE CORP.

~~4901 YORK STREET • P.O. BOX 16043 • DENVER, COLORADO 80216 • PHONE 303/297-0117~~  
11930 W. 44th Ave., Suite 200, Wheatridge, CO 80033 (303) 467-0117

July 16, 1986

RECEIVED  
JUL 18 1986

State of Utah Natural Resources  
Oil, Gas and Mining  
355 W. North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

DIVISION OF  
OIL, GAS & MINING

Attention: Pam Grubaugh-Littig

Reference: Lisbon Valley Copper Mine and Mill  
PRO/037/032, San Juan County, Utah

Dear Ms. Grubaugh-Littig:

As per our telephone conversation of yesterday, we have instructed Mr. Skip Nightingale of the First Western National Bank of Moab, Utah to forward directly to you an irrevocable letter of credit payable to the Division of Oil, Gas and Mining in the amount of \$85,000.00, as required under the Utah Mined Land Reclamation Act.

We understand from Mr. L. P. Braxton's letter of July 7, that the letter of credit must be received in your office by July 21, and we trust that the arrangements we have made will accomplish this.

Further, in our conversation, you confirmed to me that the letter of credit could be replaced by a surety bond at a later date.

Sincerely,

Maxine Cochran  
Treasurer

/mc